MANAGED RISK MEDICAL INSURANCE BOARD
STATE LEGISLATIVE REPORT

September 11, 2013†

First Extraordinary Session

Bill	Summary
ABX1 1 (Pérez, Pan) Version: A-6/14/2013 Sponsor: Author Status: **Chaptered: 6/27/2013**	**Medi-Cal: Eligibility** Would implement various provisions of the federal Patient Protection and Affordable Care Act (ACA) concerning Medi-Cal eligibility, including the use of modified adjusted gross income (MAGI). This bill would expand Medi-Cal eligibility to adults with income up to 138 percent of the federal poverty level (FPL). The newly eligible population would be required to enroll in a Medi-Cal managed care plan, if available. The bill transitions persons currently enrolled in a Low-Income Health Program (LIHP) to Medi-Cal managed care plans. In addition, this bill would change the criteria used to determine the end date for subscriber coverage in the Access for Infants and Mothers (AIM) program. Starting January 1, 2014, AIM subscribers would receive coverage through the end of the month containing the 60th day after the end of pregnancy. Currently, AIM coverage ends 60 days after the end of pregnancy. This bill requires the Medi-Cal expansion to cease after one year if federal matching funds are reduced to 70 percent or less and would become operative only if SBX1 1 is enacted and takes effect.
ABX1 2 (Pan) Version: A- 4/1/2013 Sponsor: Author Status: **Chaptered 5/9/2013**	**Health Care Coverage** Would implement various provisions of the ACA related to the health insurance market. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics including limiting enrollment in individual health benefit plans to defined open and special enrollment periods. The bill would require insurers to consider all enrollees in both its individual market plans and small group market plans to be within a single risk pool per market. This bill provides for 19 geographic rating areas which are identical to those enacted by last session's AB 1083. Holds that if certain portions of the ACA were to be repealed, related provisions of this bill would become inoperative 12 months after the date of the ACA repeal. This bill has been amended such that it only makes changes to the California Insurance Code. SBX1 2 contains similar provisions changing the California Health and Safety Code. This bill would become operative only if SBX1 2 is enacted and takes effect.
SBX1 1 (Hernandez) Version: A – 6/14/2013 Sponsor: Author	**Medi-Cal: Eligibility** Would implement various provisions of the federal Patient Protection and Affordable Care Act (ACA) concerning Medi-Cal eligibility, including provisions to simplify Medi-Cal eligibility, enrollment and renewal processes. This bill

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Status: **Chaptered: 6/27/2013**	would add certain mental health and substance use disorder services included in the essential health benefits package to the schedule of Medi-Cal benefits upon approval by the U.S. Secretary of Health and Human Services, and would expand Medi-Cal eligibility to certain former foster children. This bill also requires the Department of Health Care Services (DHCS) to electronically verify the state residency of Medi-Cal applicants and specifies how state residency may be established if electronic verification is unavailable.. This bill requires the Medi-Cal expansion to cease after one year if federal matching funds are reduced to 70 percent or less and would become operative only if ABX1 1 is enacted and takes effect.
SBX1 2 (Hernandez) Version: A–4/1/2013 Sponsor: Author Status: **Chaptered: 5/9/2013**	**Health Care Coverage** Would implement various provisions of the ACA related to the health insurance market. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics, including limiting enrollment in individual health benefit plans to defined open and special enrollment periods. The bill would require insurers to consider all enrollees in both its individual market plans and small group market plans to be within a single risk pool per market. This bill provides for 19 geographic rating areas which are identical to those enacted by last session's AB 1083. Holds that if certain portions of the ACA were to be repealed, related provisions of this bill would become inoperative 12 months after the date of the ACA repeal. This bill has been amended such that it only makes changes to the California Health and Safety Code. ABX1 2 contains similar provisions changing the California Insurance Code. This bill would become operative only if ABX1 2 is enacted and takes effect.
SBX1 3 (Hernandez) Version: A-6/27/2013 Sponsor: Author Status: **Chaptered: 7/11/2013**	**Health Care Coverage: Bridge Plan** Would create a bridge option allowing low-cost health coverage to be provided to individuals within the California Health Benefit Exchange (Covered California). The bill provides that individuals able to demonstrate that their Medi-Cal or Healthy Families Program (HFP) coverage was terminated in a manner to be defined by regulations would be eligible to enroll in a Bridge Plan. Bridge Plans are designed to ease the transition for families who move in and out of eligibility for Medi-Cal based on income.

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Regular Session

Bill	Summary
AB 18 (Pan) Version: A- 6/24/2013 Sponsor: California Dental Association Status: Assembly Appropriations	**Health Care Coverage: Pediatric Oral Care** Would require a specialized health care service plan or health insurance policy that provides pediatric oral care benefits, whether bundled with a qualified health plan or standing alone, to comply with minimum medical loss ratios and provide an annual rebate.
~AB 50 (Pan) Version: A-9/5/2013 Sponsor: Author Status: Engrossing and Enrolling	**Health Care Coverage: Medi-Cal: Eligibility~~: Enrollment~~** ~~Would require the Department of Health Care Services (DHCS) to establish a process to implement an ACA provision that allows hospitals to make a preliminary determination of a person's Medi-Cal eligibility. Would authorize the inclusion of optional demographic questions regarding sexual orientation and gender identity in the single application form under development for state health subsidy programs.~~ Would provide that a woman is eligible for full-scope Medi-Cal benefits if her income is less than 100 percent of the federal poverty level.
AB 209 (Pan) Version: A-4/9/2013 Sponsor: Author Status: Senate Inactive File	**Health Care Coverage: Medi-Cal: Eligibility: Enrollment** Would enact the Medi-Cal Managed Care Health Care Quality and Transparency Act of 2013. This bill would require the state Department of Health Care Services (DHCS) to develop and implement a quality improvement and monitoring plan. The plan would include, among other things, minimum and benchmark performance standards, sanctions and corrective actions and a public health care dashboard providing up-to-date information regarding the quality of Medi-Cal services. This bill would require DHCS to appoint an advisory committee composed of providers, plans, researchers, advocates and enrollees. This bill would also require DHCS to invite public comment and to hold quarterly public meetings regarding all Medi-Cal managed care services.
~AB 411 (Pan) Version: A- 9/11/2013 Sponsor: California Pan-Ethnic Health Network Status: Senate Third Reading File	**Medi-Cal: Performance Measures** ~~Would require all Medi-Cal managed care plans to analyze their Healthcare Effectiveness Data and Information Set measures, or their External Accountability Set performance measure equivalent, by geographic region, race, ethnicity, primary language and by sexual orientation and gender identity and to implement strategies to reduce identified disparities. The analyses would be reported to DHCS annually and posted to the department's internet web site. The bill would also require all Medi-Cal managed care plans to link individual-level data to personal identifiers and to submit that data to the department annually. The data would be available for research purposes. The bill would also require the department use the collected data to identify any disparities in care provided to all Medi-Cal managed care enrollees and notify Medi-Cal managed care plans of any disparities identified. Each Medi-Cal managed care plan would be required to determine whether an identified disparity in care is present among its enrollees and, if present, implement a quality improvement plan to address the disparity.~~ Would require all new DHCS External Quality Review Organization (EQRO) contracts associated with Medi-Cal managed care programs to include requirements that the EQRO include an analysis of Healthcare Effectiveness Data and Information Set measures,

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	or the External Accountability Set performance measure equivalent, by certain characteristics, including geographic area and primary language. The analysis would identify any disparities in the quality of care provided based on those factors and DHCS would report the analysis on its website.
AB 505 (Nazarian) Version: A- 6/19/2013 Sponsor: California Pan-Ethnic Health Network Status: Senate Inactive file	**Medi-Cal: Managed Care: language Assistance Services** Would require all Medi-Cal managed care plans contracting with DHCS to provide language assistance services, including interpretation and translation, to limited-English-proficient (LEP) enrollees when an LEP population meets defined threshold levels.
AB 1180 (Pan) Version: A- 9/3/2013 Sponsor: Author Status: Enrolled 9/10/2013	**Health Care Coverage: Federally Eligible Defined Individuals: Conversion Or Continuation Of Coverage** Would amend state law applicable to health care service plans and health insurers to reflect market changes enacted in the ACA. This bill also would sunset MRMIB's subsidy of Guaranteed Issue Pilot Program (GIP) plans for services received on or after January 1, 2014, and would shorten the reconciliation period.
AB 1263 (Pérez) Version: A- 7/10/2013 Sponsor: Author Status: Engrossing and Enrolling	**Medi-Cal: CommuniCal** Would require DHCS to establish the Medi-Cal Patient-Centered Communication program (CommuniCal), to be administered by a third party administrator. CommuniCal would provide and reimburse for medical interpretation services to Medi-Cal beneficiaries who are limited English proficient (LEP). The bill would establish a certification process and registry of CommuniCal certified medical interpreters (CCMI) at DHCS and grants CCMI collective bargaining rights with the state.
~SB 28 (Hernández) Version: A-9/06/2013 Sponsor: Author Status: Engrossing and Enrolling	**Medi-Cal: Eligibility** Would require the Managed Risk Medical Insurance Board (MRMIB) to provide Covered California with the name, contact information and written and spoken language of MRMIP subscribers and applicants. The bill would require Covered California to use the information to conduct outreach to MRMIP subscribers and applicants. <u>This bill also includes clarifying amendments to Special Session bills AB X1 1 and SB X1 1, such as adding authorization for DHCS to implement specified provisions by means of all-county letters, plan letters, plan or provider bulletins and requiring DHCS to adopt certain regulations by July 1, 2017.</u>
~SB 239 (Hernández) Version: A-9/11/2013 Sponsor: California Hospital Association Status: Assembly Health	**Medi-Cal: Hospital Quality Assurance Fee** Would impose a quality assurance fee on hospitals for the period of January 1, 2014, through December 31, ~~2015~~<u>2016</u>. Specifies ~~the legislature's intent~~ that ~~the fee would only be imposed if, among other things~~ the funds would be used for certain defined payments to hospitals, health care coverage for low-income children, increased capitation payments to Medi-Cal managed care plans, increased payments to mental health plans and the direct costs of administering the program. <u>This bill also eliminates a Medi-Cal rate reduction that applies to distinct part nursing facilities</u>

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SB 639 (Hernandez) Version: A-9/06/2013 Sponsor: Health Access Status: Engrossing and Enrolling	**Health Care Coverage** This bill would define the bronze, silver, gold and platinum levels of coverage for health care plans offered in individual and small group markets in a manner consistent with the ACA. The bill limits the deductible under a small employer health care plan to a maximum of $2,000 for plans covering a single individual, or $4,000 in all other cases. This limit would apply to plans offered, sold or renewed on or after January 1, 2014. The bill would, consistent with the ACA, place limits on out-of-pocket cost sharing and define catastrophic health plans. The bill would also make nonstandard products offered in the individual market subject to review by DMHC or DOI prior to approval.
~SB 800 (Lara) Version: A-9/03/2013 Sponsor: Author Status: Senate Unfinished Business	**California Health Benefit Exchange: Outreach Services** Would require DHCS to provide the California Health Benefit Exchange with the name, contact information and written and spoken language of individuals who are not enrolled in Medi-Cal but are the parents or caretakers of children enrolled in the HFP or who were transitioned to Medi-Cal from the HFP. The bill would transfer MRMIB PCIP employees to the California Health Benefit Exchange when their functions cease as a result of the PCIP program sunset. The bill would transfer MRMIB employees assigned to other programs to DHCS if MRMIB were to be dissolved or terminated. Transferred employees would retain all civil service rights. <u>The bill would require DHCS to prepare a report on the transfer of employees and functions in the event MRMIB is dissolved or terminated.</u>

<u>2 Year Bills</u>

Bill	Summary
AB 318 (Louge) Version: A-3/19/2013 Sponsor: Author Status: Assembly -- 2 year bill	**Dental Care: Telehealth** Would declare that face-to-face contact between a health care provider and a patient is not required under the Medi-Cal program for "teledentistry" and that such services are subject to Medi-Cal billing and reimbursement policies. The bill would define terms related to teledentistry.
AB 617 (Nazarian) Version: A-8/13/2013 Sponsor: Western Center on Law and Poverty Status: Senate Appropriations	**California Health Benefit Exchange: Appeals** Would establish a new appeals process for Covered California and state health programs such as AIM and HFP.
AB 357 (Pan) Version: I-2/14/2013 Sponsor: Author Status: Assembly -- 2 year bill	**California Healthy Child Advisory Task Force** Would require the California Health and Human Services Agency to establish the California Healthy Child Advisory Task Force. The statewide task force would be charged with developing a vision for children's health in the state.

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Bill	Summary
AB 860 (Perea) Version: A- 4/8/2013 Sponsor: Author Status: Assembly -- 2 year bill	**Medical School Scholarships** Specifies that beginning January 1, 2014, $600,000 shall be transferred each year to the Steven M. Thompson Medical School Scholarship Account within the Health Professions Education Fund from the Managed Care Administrative Fines and Penalties Fund. This represents the second allocation from the Managed Care Administrative Fines and Penalties Fund. The first $1,000,000 in the fund is transferred each year to the Medically Underserved Account for Physicians in the Health Professions Education Fund. Any amount in the Administrative Fines and Penalties Fund in excess of $1.6 million would continue to be directed to the Managed Risk Medical Insurance Program (MRMIP). SB20 would make conflicting changes to the same sections of law.
SB 20 (Hernández) Version: A-2/14/2013 Sponsor: Author Status: Assembly Appropriations Suspense File	**Health Care: Workforce Training** Would provide that, once MRMIP is inoperative, all managed care administrative fine and penalty funds would be directed toward the Steven M. Thompson Physician Corps Loan Repayment Program. Currently any amount over $1 million is directed to MRMIP. AB 860 would make conflicting changes to the same sections of law.
SB 22 (Beall) Version: A- 7/2/2013 Sponsor: California Psychiatric Association Status: Assembly Appropriations Suspense File	**Health Care Coverage: Mental Health Parity** Would require health care service plans, their contractors and health insurers to submit an annual report to the Department of Managed Health Care (DMHC) or the Department of Insurance (DOI) certifying compliance with state laws and the federal Mental Health Parity and Addiction Equity Act of 2008. The bill would require the reports to be published on the applicable department's internet web site. The reports would include an analysis of the entity's compliance with the law and surveys of enrollees, individuals insured and providers.
SB 266 (Leiu) Version:A-4/24/2013 Sponsor: Author Status: Senate -- 2 year bill	**Health Care Coverage: Out-of-Network Coverage** Specifies that a clinic or medical group shall not state it is within a plan or provider network unless all of the individual providers providing services at the clinic or within the medical group are within the plan network. The bill would require a medical group, clinic or hospital to recommend the patient contact his or her insurance carrier for information about providers who are within the patient's network prior to providing non-emergency services.
SB 703 (Hernandez) Version: I-2/22/2013 Sponsor: Author Status: Senate -- 2 year bill	**Medi-Cal** This bill would state the intent of the Legislature to enact legislation that would make necessary improvements to the Medi-Cal program.

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Knox-Keene Bills

The following list includes bills that would change the requirements of health care service plans under the Knox-Keene Health Care Service Plan Act of 1975. Staff will continue to track the progress of these bills and provide additional summary information as needed.

Bill	Mandated Service or Benefit
~AB 219 (Perea)	**Health Care Coverage: Cancer Treatment**
Engrossing and Enrolling	Would prohibit health insurance policies from requiring an enrolled or insured individual to pay more than $2~~1~~00, notwithstanding any deductible, per individual ~~filled~~ prescription of up to a 30-day supply for orally-taken cancer treatment medication.
AB 460 (Ammiano)	**Health Care Coverage: Infertility**
Enrolled 9/09/2013	Would require that coverage for the treatment of infertility be offered and provided without discrimination on the basis of age, ancestry, color, disability, domestic partner status, gender, gender expression, gender identity, genetic information, marital status, national origin, race, religion, sex or sexual orientation.
AB 912 (Quirk-Silva)	**Health Care Coverage: Fertility Preservation**
Engrossing and Enrolling	Would require that all large group health care service plans and health insurance policies issued after January 1, 2014 provide coverage for fertility preservation services when a medical treatment may cause infertility.
SB 126 (Steinberg)	**Health Care Coverage: Pervasive Developmental Disorder Or Autism**
Enrolled 9/09/2013	Would extend the provisions of SB 946 (2011), which provided coverage for behavioral health treatment for pervasive developmental disorder or autism, through January 1, 2017.
SB 353 (Lieu)	**Health Care Coverage: Language Assistance**
Engrossing and Enrolling	Would require a health care service plan that markets, or allows others to market or advertise on its behalf, in a language other than English to translate into that language specified documents such as welcome letters, summaries of benefits and various defined notices, even if that language does not meet the minimum enrollee thresholds established by law.
~SB 746 (Leno)	**Health Care Coverage: Premium Rates**
Engrossing and Enrolling	~~Would require health care service plans to file with the Department of Managed Health Care all specified rate information for rate increases that exceed the Consumer Price Index.~~ Requires a health plan or health insurer to disclose annually certain aggregate data for all products sold in the large group market. The bill would require a health plan that is unable to provide information on rate increases by benefit categories to disclose specified information regarding the plan's estimated year-to-year cost increases. The bill also requires a health insurer that exclusively contracts with no more than two medical groups in the state to provide claims data at no charge to a large group purchaser annually if the large group purchaser requests the information.
SB-799 (Calderon)	**Health Care Coverage: Colorectal Cancer: Genetic Testing and Screening**
	Would require health care service plans and health insurers to provide coverage for specific genetic testing to individuals under age 50 who have been diagnosed with colorectal cancer. The genetic test would check for hereditary nonpolyposis colorectal cancer (HNPCC). Coverage for HNPCC genetic testing would also be provided for children or siblings of individuals who tested positive for HNPCC.

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Bill	Mandated Service or Benefit
2 Year Mandate Bills	
AB 299 (Holden)	**Prescription Drug Benefits** Would prohibit a health care plan providing prescription drug benefits from requiring an enrollee to use mail order pharmacy services for covered prescription drugs that are available at an in-network retail pharmacy.
AB 578 (Dickinson)	**Health Care** Would require the Department of Managed Health Care to publish a notice when receiving a health service plan licensure application and, if comments are received, hold at least one hearing prior to approving the application.
AB 676 (Fox)	**Health Care Coverage: Post-Discharge Care Needs** Would prohibit health care service plans, health insurers, and the Department of Health Care Services or Medi-Cal managed care plans from causing a patient to remain hospitalized once an attending physician determines that inpatient hospital care is no longer necessary.
AB 889 (Frazier)	**Health Care Coverage: Prescription Drugs** Would prohibit health plans and insurers that restrict medications pursuant to step therapy or fail-first protocol from requiring a patient to try and fail on more than two medications before allowing the patient access to the medication or generically equivalent drug prescribed by the prescribing provider.
SB 189 (Monning)	**Health Care Coverage: Wellness Programs** Would define the parameters under which a wellness program may be offered in connection with a group health care plan. Among other provisions, this bill requires that wellness programs be designed to promote health or prevent disease and prohibits incentives that are linked to premiums or cost sharing or are conditioned on meeting specific health status outcomes.
SB 264 (Pavley)	**Accountable Care Organizations** Would require an accountable care organization to have a clinical laboratory testing advisory board that would recommend testing guidelines.
SB 320 (Beall)	**Health Care Coverage: Acquired Brain Injury** After January 1, 2014, would prohibit any health care service plan contract from denying coverage for treatment of an acquired brain injury at a properly licensed and accredited facility within the insurer's network even if the facility is not near the enrollee's home.
SB 780 (Jackson)	**Health Care Coverage** Would require health care service plans and health insurers operating preferred provider networks to give consumers notice when changes are made to a health care network. An example of the type of change requiring consumer notice is termination of a contract with a provider group or hospital. The bill would authorize enrollees to continue to receive previously authorized or scheduled services for at least 60 days after the termination of a provider group or hospital contract. Consumers receiving previously authorized services would be charged at the original in-network contract rate.

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